

TRANSFER APPLICANTS READ THESE INSTRUCTIONS CAREFULLY (Authorized by MCL 436.1217)
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To avoid delays in processing your application, please be sure that you follow these instructions. Also, be prepared to leave the requested documents for our records. Copies of documents will not be made in the LCC office.

1. Return all forms promptly and completely executed.
2. Any changes in the financial provisions at the time of closing, which do not conform with the terms previously indicated and investigated may require submission of new forms and possible reinvestigation. Such changes must be submitted prior to Commission approval.
3. An agreement to buy and sell a retail business, wherein there is not a total cash transaction, and which includes both the personal property and the real estate, shall include a separate statement listing the personal property and the real estate, and the terms and price of each. Purchasers of "ON-PREMISES" licensed establishments are required to have 10% of the purchase price for the licensed business, excluding real estate, in their own funds.
4. Preliminary Agreements, Leases, Security Agreements or Land Contracts between the applicant for retail license and secured party or landlord may contain restrictive clauses which prohibit the license from being transferred to another location, or which dictate the disposition of the license upon expiration of the lease. However, the agreement must provide that such placement of the liquor license is subject to the approval of the Michigan Liquor Control Commission.
5. Title Retaining Contracts or Conditional Sales Agreements are not acceptable for the sale of a licensed establishment. In all cases, the applicants for any type of license for sale of alcoholic beverages at retail must demonstrate that they will be the title holder to the personal property used in connection with the licensed business.
6. The balance due on the business, after down payment, may be covered by a Security Agreement, and or a Promissory Note. Further, alcoholic beverages must be paid for in cash when the license is transferred and cannot be included on the Security Agreement.
7. The Security Agreement and Land Contract may each contain a provision that a default in one instrument will constitute a default in the other instrument. A provision to reassign the license in the event of default may be included in the Security Agreement, Land Contract, or separate agreement, and may only provide for reassignment of the license, in the event of default, subject to Commission approval. Business, fixtures, equipment and non-alcoholic inventory cannot be listed on Land Contract or Real Estate Mortgage.
8. The names of the spouses of applicants may not appear on Security Agreements or Bills of Sale unless they are named on the license.
9. Participating Agreements are permissible, provided the amount of participation by the non-licensee shall not exceed 10% of the gross sales of the licensed business. Any request for greater amounts of participation must be accompanied by written request setting forth the reason or reasons for special consideration.
10. Bills of Sale must cover the ACTUAL PURCHASE PRICE as set forth in the Purchase Agreement. Bills of Sale for \$1.00 are not acceptable unless that is the actual consideration. The licenses can be listed as an item of personal property in a Bill of Sale.
11. If the real estate is in the name of husband and wife, and only one is to be named on the license, then a Lease must be executed making the licensee as tenant and the property owners as landlord. An affidavit is acceptable on a month-to-month rental. If applicant is a corporation / limited liability company and real estate is owned by the stockholders / members individually, we must have a lease between them and the applicant corporation / limited liability company.
12. Any loan must specifically indicate that the alcoholic beverages are excluded as collateral.